

**SOUTH DAKOTA COMMISSION ON GAMING QUARTERLY MEETING
PUBLIC HEARING ON PROPOSED RULE CHANGES
DEADWOOD CITY HALL, DEADWOOD, SOUTH DAKOTA**

MINUTES
March 14, 2012

At 9:00 a.m. the meeting was called to order. Commissioner Ralph Kemnitz, Commissioner Karen Crew, Commissioner Harry Christianson, Commissioner Dennis Duncan and Commissioner Karl Fischer were present. Staff members present for the meeting were Michael Shaw, Commission Attorney; Larry Eliason, Executive Secretary; Craig Sparrow, Director of Operations and Enforcement.

The meeting was called to order by Commissioner Kemnitz and roll call was taken.

PROPOSED RULE CHANGES HEARING

Multi-jurisdictional totalizer hubs

Commissioner Crew made a motion to approve the proposed rule changes as outlined on pages 1-11 in the meeting packet. Commissioner Fischer seconded the motion which carried unanimously.

Poker

The proposed rule changes for the Let It Ride and Let It Ride bonus including three card bonus optional side bet or progressive optional side bet were withdrawn from the hearing.

Rules for Casino War

Commissioner Christianson made a motion to approve the proposed rule changes as outlined on pages 34-35 in the meeting packet as per LRC and changes made by Michael Shaw as per Shufflemaster and to change the word "units" to "wagers." Commission Crew seconded the motion which carried unanimously.

A brief recess was taken at 10:05 am.

The meeting resumed at 10:13 am.

Slot machine requirements and retention of records

Commissioner Fischer made a motion to approve the proposed rule changes as outlined on pages 37-48 and pages 49-51 in the meeting packet. Commissioner Crew seconded the motion which carried unanimously.

Building Codes

Commissioner Crew made a motion to approve the proposed rule changes as outlined on pages 52-53 in the meeting packet. Commissioner Christianson seconded the motion which carried unanimously.

GENERAL MEETING

Commissioner Kemnitz called the general meeting to order at 10:15 am.

Approval of Agenda

No changes were noted to the agenda

Conflicts of Interest

No conflicts of interest were noted on the agenda.

Secretary of Revenue Andy Gerlach addressed the Commission.

November 30, 2011 Quarterly Meeting

Commissioner Fischer made a motion to adopt the drafted minutes from the November 30, 2011 meeting. Commissioner Christianson seconded the motion which carried unanimously.

December 21, 2011 Special Meeting

Commissioner Crew made a motion to adopt the drafted minutes from the December 21, 2011 special meeting. Commissioner Duncan seconded the motion which carried unanimously.

January 23, 2012 Special Meeting

Commissioner Duncan made a motion to adopt the drafted minutes from the January 23, 2012 special meeting. Commissioner Fischer seconded the motion which carried unanimously.

Karl Fischer was presented a plaque for his years of service on the commission. This will be his last meeting since his term will expire in April 2012.

Stipulations of Assurance and Voluntary Compliance

BY Development, Inc.

Commissioner Crew made a motion to accept the Stipulation of Voluntary Compliance and monetary penalty of BY Development, Inc. Commissioner Duncan seconded the motion which carried unanimously.

Racing Contracts

Veterinarian Services

Commissioner Fischer made a motion to accept the contract with Cooper Animal Clinic for official veterinarian services for the 2012 horse racing season. Commissioner Crew seconded the motion which carried unanimously.

Laboratory Services

Commissioner Christianson made a motion to accept the contract with the Center for Tox Services as the official lab for the 2012 horse racing season. Commissioner Duncan seconded the motion which carried unanimously.

Racing Commission Officials and Race Track Officials

Commissioner Christianson made a motion to approve the Commission officials for the 2012 horse racing season as listed on page 77 of the meeting packet and the racing officials for each track for the 2012 horse racing season for the Verendrye Benevolent Association and Northeast Area Horse Racing, Inc. officials as listed on pages 78 and 79 of the meeting packet. Commissioner Duncan seconded the motion which carried unanimously.

Bettor Racing, Inc. Simulcast Provider License and Temporary Simulcast License Renewal

Commissioner Christianson made a motion to approve the simulcast provider license renewal and temporary simulcast site license renewal for Bettor Racing, Inc. Commissioner Duncan seconded the motion which carried unanimously.

Deadwood Licensing Matters

Director of Operations/Enforcement Sparrow recommended approval of the following:

Key Licenses

- ✓ Larry Bausch
- ✓ Edward Jones

Key License Renewals

Key License Renewals

- ✓ Deb Klima
- ✓ Ryan Klima
- ✓ David Schneider
- ✓

Business License Approvals

- ✓ Approval of a Manufacturer license for Konami Gaming, Inc. **(0128-MA)**, a wholly owned subsidiary whose ultimate owner is Konami Corporation of Japan.
 - Approval of Kagemasa Kozuki **(A4887-OW)** as an owner of Konami Corporation and Taku Kozuki **(A0111-DR)**, Noriako Yamaguchi **(A0112-DR)**, and Kimihiko Higashio **(A0113-DR)** as Directors.
- ✓ Approval of Ronald Peterson, Charles Mauszycki, and Jeffrey Krall as additional owners on the Bullock Hospitality, LLC Operator license **(0225-OP)**.
- ✓ Approval of Rosalind Dubs as a Director on the Aristocrat Technologies Inc., Manufacturer's license **(0108-MA)**.

Commissioner Christianson made a motion to approve the Key License approvals, Key License renewals, and Business License approvals as staff recommended. Commissioner Duncan seconded the motion which carried unanimously.

Business License Assignments

- ✓ Approval of an Operator, Route Operator and three retail licenses **(0227-OP, 0035-RO, 0510, 0511 & 0512-RT's)** for High Noon Investments, LLC dba Gold Dust Casino and that the retail licenses be assigned to building 1, 2 & 3.
- ✓ Approval of Tim Brennan as the owner of a 3rd retail license and the request to assign his 3 retail licenses to the Gold Dust 4, 5 & 6.
- ✓ Approval of the request of Neil Hague to move his 3 retail licenses currently assigned at the 777 to an unassigned location.
- ✓ Approval of the request of Tony Sieber to move his 3 retail licenses currently assigned to the Gold Dust to the 777 Casino.
- ✓ Approval of an Operator, Route Operator and three retail licenses **(0228-OP, 0036-RO, 0514, 0515 & 0516-RT's)** for Platinum Ventures, LLC dba Four Aces Casino and that the retail licenses be assigned to building 1, 2 & 3.
- ✓ Approval of the request of Teddie Jeffery to move her 3 retail licenses currently assigned at Four Aces 4, 5, & 6 to an unassigned location.
- ✓ Approval of the request of Nathan Kessler to move his 3 retail licenses currently assigned to the Gold Dust to the Four Aces 4, 5 & 6.

Commissioner Duncan made a motion to approve business license assignments changes from the prior meeting as recommended by staff. Commissioner Fischer seconded the motion which carried unanimously.

RCI Annual Meeting

Commissioner Fischer made a motion to designate Chairman Kemnitz as the Commission's voting representative and Larry Eliason as the alternate at the annual meeting of the Association

Next Commission Meeting

A special meeting will be held in May at a date to be determined later to address the rules that take effect on July 1, 2012, and then the next quarterly commission meeting tentatively will be June 6, 2012.

EXECUTIVE SESSION

A brief Executive Session pursuant to SDCL 42-7B-8.1 (4) was held at 11:05 am

The Executive Session was concluded with no formal action taken.

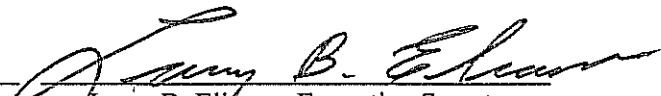
There was no further business to be discussed.

Commissioner Christianson made a motion to adjourn the meeting. Commissioner Fischer seconded the motion which carried unanimously.

The meeting was adjourned at 11:15 am.

Respectfully submitted,
Kathy Fredericksen


Ralph A. Kemnitz, Chairman


Larry B. Eliason, Executive Secretary